

Motor Vehicle Sales to Members of the Armed Forces

**Sales &
Use tax
notice
#04-14**[Public Chapter 842 \(2004\)](#)

Effective June 8, 2004, [Public Chapter 842, Acts of 2004](#), amends Tenn. Code Ann. Section 67-6-303 relative to the purchase of motor vehicles in this state by certain members of the armed forces.

As provided in Public Chapter 842, Tenn. Code Ann. Section 67-6-303(a)(1) exempts from sales tax the sale of motor vehicles in this state to members of the Tennessee National Guard or reserve members of a uniformed service of the United States who are called into active military service and who are stationed outside the United States during hostilities in which such person is actually engaged in combat.

The motor vehicle must be sold in Tennessee, must be registered in Tennessee in accordance with the provisions of Tennessee Code Annotated Title 55 and must be registered in the name of the service member called into active duty.

The motor vehicle may be purchased with a general power of attorney on behalf of the armed forces member. Dealers making such sales must support the tax exemption by attaching a copy of the official orders relating to the purchaser's active federal service during a period of hostilities to the dealer's file copy of the invoice. The exemption is only valid if the purchaser is actually engaged in hostilities outside the United States.

Previous provisions of Tenn. Code Ann. Section 67-6-303 that allow for the tax-free purchase of a motor vehicle which is sold in Tennessee if such vehicle is registered in Tennessee under the provisions of Tennessee Code Annotated Title 55 and the purchaser is a member of a uniformed service and is stationed on the military installations specifically described below remain unchanged. Those military installations are:

- A military installation located partially within the boundary of Tennessee and that of another state (Ft. Campbell);
- A naval air station located entirely within Tennessee (Millington Naval Air Station); and
- An air force base engineering development center located entirely within Tennessee (Arnold Engineering Development Center).

If you have any questions about this notice, you may contact the Department. Tennessee residents outside the Nashville calling area may call our statewide toll-free number at (800) 342-1003. Callers from Nashville or out-of-state may dial (615) 253-0600. You can access additional information on our Web site at www.Tennessee.gov/revenue.

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